



## MARKET OUTLOOK

At the May policy meeting, the Fed's FOMC raised the Fed Funds Rate (FFR) by 25bps to 5.00-5.25%, in line with market forecasts. Against market expectations for a potential rate cut this year, Fed's Chairman Jerome Powell emphasised that FOMC has not made a decision on whether to pause at upcoming meetings and reiterated the Fed's data-dependent approach to future policy changes. At the same time, ECB hiked its key interest rate by 25bps to 3.25% and signalled that more tightening would be needed to tame inflation. Meanwhile, BNM's 25bps hike in the Overnight Policy Rate (OPR) was a surprise to the market, signalling Malaysia's economic growth may be more resilient than first expected.

The latest data trends in the US have reinforced the "soft landing" narrative, but we argue that if growth continues to be robust, it could attract further interest rate hikes and extend the market correction that started in 2022. Therefore, the most significant risk for the global economy in 2023 is how inflation and growth interact with each other, and how central banks react to them.

Although the world economy is expected to face a challenging year with global growth decelerating and inflation remaining high and the ongoing war in Ukraine, and banking strains in the US and Europe adding to the complexity, the Asia-Pacific region continues to display dynamism and resilience. After a healthy consolidation which followed the initial re-opening rally, we believe Asia market is poised for sustained outperformance given attractive relative valuations, under-positioning and better earnings prospects. The scale of China's economy and its deep integration into global markets mean that its remarkable recovery is expected to have a positive spill-over effect on global economic recovery.

Meanwhile, on the domestic front, while we believe the market is likely to stay challenging in 1H23 due to potential earnings risks from rising costs, we expect a sustained market recovery in 2H23, driven by improving domestic liquidity and relative political stability. The outcome of the upcoming six state elections will be closely observed to evaluate the ruling coalition's political performance. The outcome of these polls may influence the budget allocation and the rate of subsidy rationalisation in the Budget 2024, which is scheduled to be presented on 13th October.

We made no change to our model portfolio allocation for April, although, we shifted our asset allocation to tactical asset allocation since we upgraded our strategic asset allocation for 2023 to neutral, due to the rising risk of a soft landing. Starting in May, we will reduce the weightage of AmanahRaya Unit Trust and United-i ESG Series-High Quality Sukuk MYR by 2.5% each in our Conventional portfolios (Moderate Conservative, Moderate, and Aggressive). The funds we release from these two investments will be used to increase our weighting in China/Asia's funds, namely 2.5% in RHB Shariah China Focus MYR and 2.5% in RHB Islamic ASEAN Megatrend MYR. This adjustment reflects our optimistic outlook for the region. There have been no modifications to the Shariah mandates due to our existing exposure in China/Asia.

## EQUITY

FBMKLCI fell 0.47% MoM in April to close at 1,415.95 points. Looking at the trading participants for the month, foreign investors were the net sellers, selling MYR250.56 million worth of shares. Local institutions and local retailers were the net buyers, buying MYR213.08 million and MYR37.48 million worth of shares, respectively. For year-to-date (YTD), foreign investors were the net sellers, selling MYR2,115.78 million worth of shares, while the local institutions and local retailers were net buyers, buying MYR1,986.44 million and MYR129.33 million worth of shares.

In April, Telco, Utilities, and Transport were the top performing sectors, rising by 6.23%, 5.12% and 1.72% MoM, respectively. Laggards were Technology, Healthcare, and Finance, declining by 1.95%, 1.39% and 1.20% MoM, respectively.

## BOND

In April, the yield for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year and 10-year decreased by 7bps, 12bps, 10bps and 18bps closing at 3.31%, 3.43%, 3.64% and 3.73% respectively.

## COMMODITIES

Nymex (WTI) crude oil price increased by 1.47% MoM in April, closing at USD76.78/barrel. Crude palm oil shed 2.98% MoM to close at MYR3,937.00/MT in April. Gold price increased by 1.53% MoM to close at USD1,999.10/Oz in April.



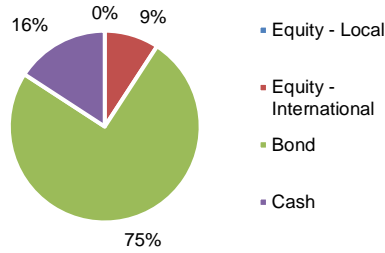
## Commentary

In April, all the Conventional model portfolios moderated slightly and underperformed the benchmark. Overall, the underperformance was attributed to the decline in United-i ESG Series-High Quality Sukuk MYR, which was down by -0.85%.

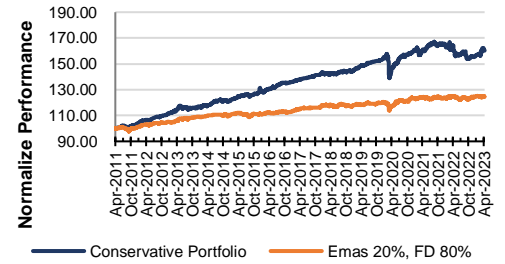
### CONVENTIONAL MODEL PORTFOLIO

#### Conservative Portfolio

Global Dividend MYR	3.0%
KAF Jade	3.0%
United Golden Opportunity USD	2.0%
Nomura Global Sustainable Equity MYR B	2.0%
AmanahRaya Unit Trust	22.5%
United-i ESG Series-High Quality Sukuk MYR	22.5%
Manulife Investment Bond	20.0%
Maybank Malaysia Income-I A MYR	20.0%
Phillip Master Money Market	5.0%

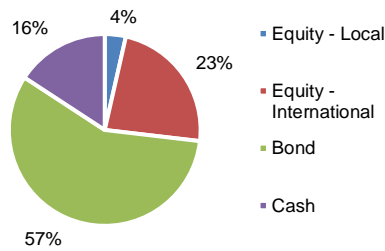


#### Performance from 18 Apr 2011 to 30 Apr 2023

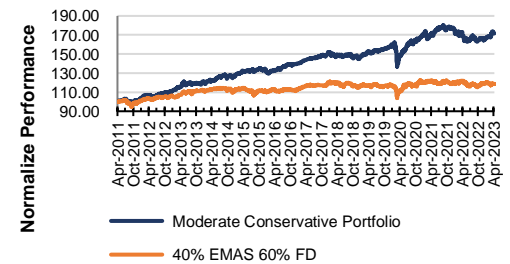


#### Moderate Conservative Portfolio

Global Dividend MYR	10.0%
KAF Jade	5.0%
PMB Dana Bestari	5.0%
United Golden Opportunity USD	5.0%
Nomura Global Sustainable Equity MYR B	5.0%
AmanahRaya Unit Trust	17.5%
United-i ESG Series-High Quality Sukuk MYR	17.5%
Manulife Investment Bond	15.0%
Maybank Malaysia Income-I A MYR	15.0%
Phillip Master Money Market	5.0%

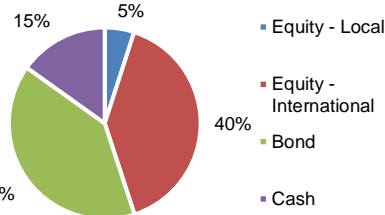


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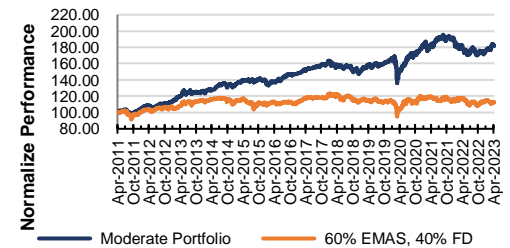


#### Moderate Portfolio

Global Dividend MYR	18.0%
KAF Jade	10.0%
PMB Dana Bestari	7.0%
United Golden Opportunity USD	5.0%
TA Global Technology MYR	5.0%
Nomura Global Sustainable Equity MYR B	5.0%
AmanahRaya Unit Trust	17.5%
United-i ESG Series-High Quality Sukuk MYR	17.5%
Manulife Investment Bond	10.0%
Phillip Master Money Market	5.0%

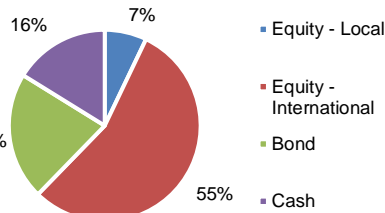


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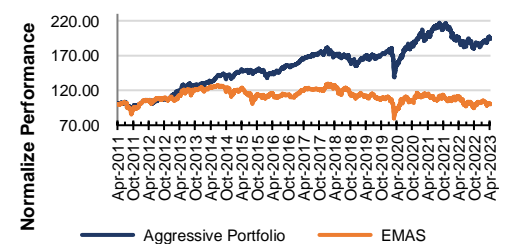


#### Aggressive Portfolio

Global Dividend MYR	25.0%
KAF Jade	15.0%
PMB Dana Bestari	10.0%
United Golden Opportunity USD	5.0%
TA Global Technology MYR	5.0%
Maybank Singapore REITs MYR	5.0%
Nomura Global Sustainable Equity MYR B	5.0%
AmanahRaya Unit Trust	17.5%
United-i ESG Series-High Quality Sukuk MYR	7.5%
Phillip Master Money Market	5.0%

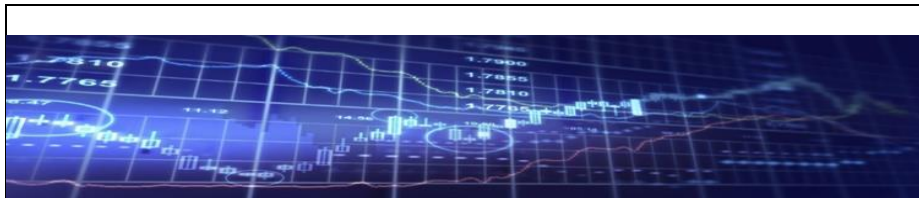


#### Performance from 18 Apr 2011 to 30 Apr 2023



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	-0.6%	3.8%	3.3%	0.2%	60.5%	Moderate Portfolio	-0.5%	5.1%	5.9%	2.2%	82.0%
Benchmark	0.1%	1.0%	0.0%	-0.3%	24.7%	Benchmark	-0.1%	0.8%	-1.4%	-4.8%	12.1%
Moderate Conservative Portfolio	-0.4%	4.1%	4.3%	1.9%	71.8%	Aggressive Portfolio	-0.4%	5.3%	6.8%	1.5%	95.0%
Benchmark	0.0%	0.9%	-0.7%	-2.6%	18.6%	Benchmark	-0.2%	0.4%	-2.9%	-9.3%	0.5%

Source: Lipper



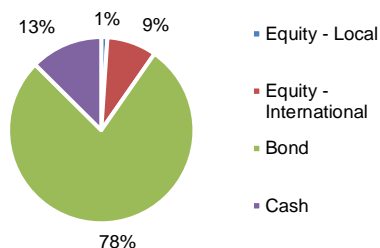
## Commentary

In April, Shariah Moderate & Aggressive portfolios outperformed the benchmark, while the Conservative and Moderate Conservative underperformed. Overall, the outperformance was attributed to the rise of Aberdeen Standard Islamic World Equity A MYR and RHB Islamic ASEAN Megatrend MYR, which increased 4.38% & 3.23%. Underperformance was due to Manulife Shariah Global REIT MYR, which declined -5.54%.

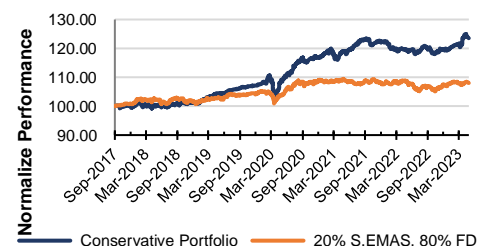
## SHARIAH MODEL PORTFOLIO

### Conservative Portfolio

Aberdeen Standard Islamic World Equity A MYR	3.0%
RHB Islamic ASEAN Megatrend MYR	3.0%
Manulife Shariah Global REIT MYR	2.0%
ICD Global Sustainable	2.0%
AmanahRaya Syariah Trust	22.5%
Maybank Malaysia Income-I A MYR	22.5%
United-i ESG Series-High Quality Sukuk MYR	20.0%
Kenanga ASnitaBOND	20.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>

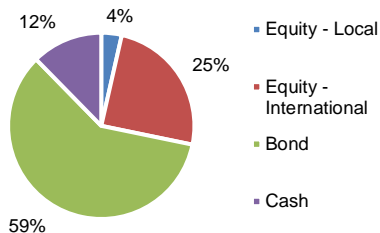


### Performance from 1 Sept 2017 to 30 Apr 2023

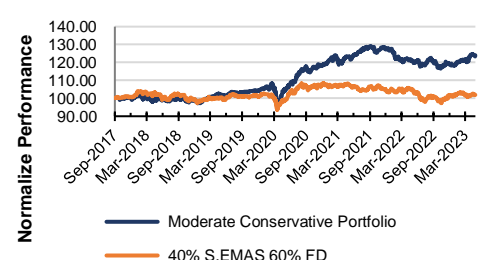


### Moderate Conservative Portfolio

Aberdeen Standard Islamic World Equity A MYR	10.0%
RHB Islamic ASEAN Megatrend MYR	4.0%
RHB Shariah China Focus MYR	3.0%
PMB Dana Bestari	3.0%
Manulife Shariah Global REIT MYR	5.0%
ICD Global Sustainable	5.0%
AmanahRaya Syariah Trust	17.5%
Maybank Malaysia Income-I A MYR	17.5%
United-i ESG Series-High Quality Sukuk MYR	15.0%
Kenanga ASnitaBOND	15.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>

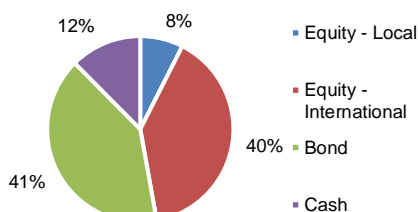


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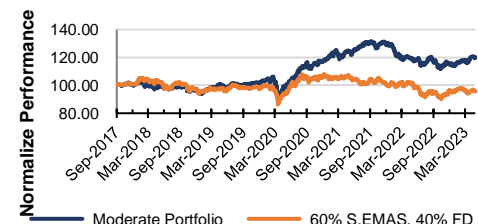


### Moderate Portfolio

Aberdeen Standard Islamic World Equity A MYR	15.0%
RHB Islamic ASEAN Megatrend MYR	10.0%
RHB Shariah China Focus MYR	5.0%
PMB Dana Bestari	5.0%
Manulife Shariah Global REIT MYR	7.5%
ICD Global Sustainable	7.5%
AmanahRaya Syariah Trust	17.5%
Maybank Malaysia Income-I A MYR	17.5%
United-i ESG Series-High Quality Sukuk MYR	10.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>

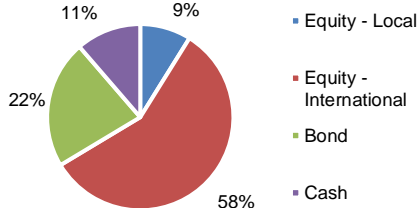


### Performance from 1 Sept 2017 to 30 Apr 2023

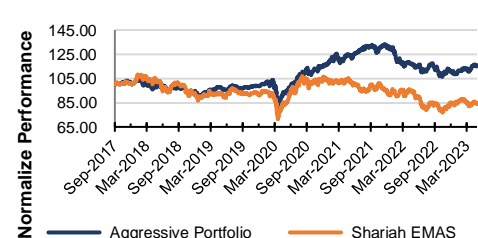


### Aggressive Portfolio

Aberdeen Standard Islamic World Equity A MYR	25.0%
RHB Islamic ASEAN Megatrend MYR	15.0%
RHB Shariah China Focus MYR	5.0%
PMB Dana Bestari	5.0%
Manulife Shariah Global REIT MYR	10.0%
ICD Global Sustainable	10.0%
AmanahRaya Syariah Trust	17.5%
Maybank Malaysia Income-I A MYR	7.5%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>



### Performance from 1 Sept 2017 to 30 Apr 2023



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	-0.5%	3.9%	3.4%	3.4%	23.6%	Moderate Portfolio	0.2%	4.8%	5.5%	1.0%	20.3%
Benchmark	0.2%	1.5%	0.3%	-0.5%	8.1%	Benchmark	0.2%	2.4%	-0.8%	-5.6%	-4.2%
Moderate Conservative Portfolio	-0.1%	4.6%	4.7%	2.4%	23.9%	Aggressive Portfolio	0.8%	5.7%	6.8%	-0.2%	16.2%
Benchmark	0.2%	2.0%	-0.3%	-3.1%	1.9%	Benchmark	0.2%	3.1%	-1.8%	-10.7%	-15.8%

Source: Lipper

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